

## **SENATE BILL SUMMARY**

Prepared by the Division of Legislative Information for the Senate Bill **AS ORIGINALLY FILED**. For more detail, see Senate Bill Analyses, if available, prepared by the Senate's professional committee staff.

### SB 416 Health Care Management by Senator Fasano

Prohibits health maintenance organizations (HMOs) and certain insurers from engaging in actions that encourage insureds or subscribers not to make payments before medical service is rendered or before receipt of an HMO's or insurer's explanation of benefits.

Provides additional circumstances in which a health insurer or HMO may not retroactively deny a claim.

Includes a requirement that a claimant whose claim is denied for failure to obtain authorization or partial authorization due to an unintentional act of error or omission be provided an opportunity for an appeal.

Requires that the insurer reverse a denial and pay the claim if the insurer determines upon review that a service was medically necessary. Requires the insurer to submit to the provider a written justification for a determination of a service that was not medically necessary.

Prohibits a health insurer or HMO from modifying a policy or procedure that would affect the underlying contract terms without having a written mutual agreement.

Requires an HMO to conduct a retrospective review of the medical necessity of a service if a hospital-service or referral-service claim is denied because the provider, due to an unintentional act of error or omission, failed to obtain authorization or obtained only partial authorization.

Creates a 12-person study group to evaluate increases in a patient's financial responsibility for hospital services and the resulting effect on the affordability and accessibility of private, employer-sponsored health insurance. Requires the Office of Insurance Regulation, the Agency for Health Care Administration, and the organizations appointing members to the study group to provide organizational support. Requires the study group to present a final report to the Legislature. (See bill for details)